

STAND. COM. REP. NO.

277

Honolulu, Hawaii

FEB 10 , 2025

RE: H.B. No. 972
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Tourism, to which was referred H.B. No. 972
entitled:

"A BILL FOR AN ACT RELATING TO IMPACT FEES,"

begs leave to report as follows:

The purpose of this measure is to authorize condominium associations and planned community associations located in a zoning district that allows for transient vacation rentals to assess an impact fee on owners or members, respectively, who use their units as transient vacation rentals.

Your Committee received testimony in support of this measure from the Hawai'i Lodging & Tourism Association; UNITE HERE Local 5; and one individual. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii and Hawai'i Association of REALTORS.

Your Committee finds that it is equitable for condominium associations and planned community associations to be able to assess impact fees on owners or members, respectively, who use their units as transient vacation rentals because of the additional costs and impacts on other units in the association.

Your Committee has amended this measure by:

2025-1351 HB972 HD1 HSCR HMSO



- (1) Requiring the board of directors of a condominium association or planned community association located in a zoning district that allows for transient vacation rentals to provide at least thirty days' notice to owners or members, respectively, who use their units as transient vacation rentals, before the association assesses the impact fee;
- (2) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it deliberate on this measure, to consider setting a cap on the amount of impact fees that can be assessed and collected.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 972, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Tourism,



ADRIAN K. TAM, Chair



